Department of Marketing

Research Seminars Series

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The Psychology of AI

Abstract: Nowadays, consumers frequently receive recommendations and advice generated by algorithms. In my research, I explore consumers' lay beliefs about how algorithms work as well as their reactions to algorithmic advice. In this talk, I will share the findings of two ongoing research projects. In the first project, we explore which customer segment is particularly appreciative of algorithmic advice. Seven studies show that consumers who perceive themselves as knowledgeable in a domain value advice more when they believe that it was generated by an algorithm (as compared to a human expert). In a second project, we focus on the preferences that consumers express to algorithmic recommender systems. We propose that consumers do not display as diverse preferences as they could to algorithms, which we label the narrow-taste effect. This effect likely arises from the lay belief that algorithms are not adept at understanding diverse compared to narrow tastes. Five studies, all with consequential choices, document the narrow-taste effect and explore practically relevant interventions to attenuate the effect. Consumers who indicate more diverse preferences in turn consume more diverse content and show greater engagement, which suggests that displaying narrow tastes is costly to both consumers and companies in the long run.